



To: The Department of Environment and Natural Resources (DENR)

General Santos City, Region XII, Philippines

Subject: Letter of Intent for Bilateral Cooperation on Sustainable Biomaterials and High-Integrity Carbon Credits

Novaterra Materials Ltd. (Novaterra) is pleased to formally announce its partnership with the Indigenous Peoples Economic Enterprise (IPEE) as the **primary off-taker for the Canadian market** for Abaca Fiber, Bamboo treated poles, and Activated Coconut Carbon. On behalf of our organization and our tribal partners in Southern Mindanao, we seek the Department of Environment and Natural Resources' (DENR) official support, partnership, and endorsement for this bilateral initiative. We also request assistance in compiling the comprehensive **Bilateral Institutional Due Diligence (IDD) Document Pack** needed to satisfy Canadian institutional requirements for mitigating risks and ensuring compliance with financial regulations.

Novaterra is a Canadian-based advanced materials company dedicated to bridging the biological abundance of the Philippines with the intensive industrial Research and Development (R&D) ecosystem of Canada. Our primary objective is to position Philippine biological assets as high-performance "advanced materials" for the global transition to Zero-Emission Vehicles (ZEVs) and sustainable infrastructure, while utilizing the Philippines' natural capital to generate high-integrity carbon offsets.

Through this meeting, Novaterra seeks an official endorsement from the DENR to execute a **3-Phase Strategic Agenda**:

1. **Innovation Funding:** Securing Canadian federal funding [¹] to conduct R&D that further innovates the biomaterial potential of Philippine-produced Abaca pellets and other bio-assets.
2. **Market Off-Take & Regulatory Validation:** Operating as the primary off-taker for the IPEE and seeking registration as an endorsed project proponent and broker under the DENR's verification framework. This includes utilizing the national registry to facilitate **carbon insetting** [⁸] for Novaterra's offtakers and voluntary market sales.
3. **Prospective Technical Partnerships:** Establishing a framework to engage the **Philippine Textile Research Institute (DOST-PTRI)** or **D&L Polymer & Colours Inc. (DLPC)** to produce "base pellets" for our pilot R&D phase and subsequent mass production of proprietary biomaterials derived from General Santos (Gen San) feedstock.

We seek to jointly draft a **Memorandum of Agreement (MOA)** that establishes NOVATERRA and the IPEE as regulated entities under DENR oversight. This MOA is strictly intended to prove to Canadian institutional funders that our operations are endorsed by the DENR and align with international Environmental, Social, and Governance (ESG) standards. **The commercial relationship between the private parties is framed as a "Service and Benefit-Sharing**



Agreement" for the stewardship and management of the land. Consequently, the distribution of proceeds from the sale of carbon credits related to IPEE ancestral lands will be governed by a separate **"IPEE/NTM Trade Agreement"** to be executed between the private parties, with support from **Verra** and **Intertek** for independent auditing.

Sincerely,

Mark Michael Laurel Casiano ,

The President & Co-Founder

Novaterra Materials Ltd.

Preliminary MOA Framework: Broad Strokes for Endorsement

MOA Component	Objective	Institutional Function
Official Endorsement	Recognize Novaterra and IPEE as regulated strategic partners.	Essential for Canadian SIF/NZA and EDC [^6] funding eligibility.
Exclusive Off-Take	Support Novaterra’s role in distributing IPEE-produced bio-assets.	Provides investment confidence in supply chain stability.
Brokerage Legitimacy	Endorse Novaterra as a verified project proponent under the national registry.	Proves the credits meet international standards.
ESG Alignment Proof	Confirm that IPEE/NTM operations align with DENR environmental and social laws.	Satisfies Canadian mandatory labor (Bill S-211) and nature-forward audits.
Stewardship Recognition	Recognize the IPEE/NTM Trade Agreement as the instrument for incentive distribution.	Provides "Chain of Title" certainty for Canadian buyers.
Third-Party Verification	Support engagement of Verra and Intertek for independent auditing.	Moves evidentiary burden from State to international experts.



MEMORANDUM OF UNDERSTANDING (MOU)

KNOW ALL MEN BY THESE PRESENTS:

This **MEMORANDUM OF UNDERSTANDING (MOU)** is made and entered into this ____ day of _____, 20__, at General Santos City, Philippines, by and between:

NOVATERRA MATERIALS LTD., a corporation duly organized and existing under the laws of Canada, with its principal office at [Address, Canada], represented herein by its President & Co-Founder, **MARK MICHAEL LAUREL CASIANO**, hereinafter referred to as "**NOVATERRA**";

- and -

The **DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES (DENR)**, a government agency of the Republic of the Philippines, with its regional office at _____, represented herein by its _____ [Position], _____, hereinafter referred to as "**DENR**".

WITNESSETH:

WHEREAS, NOVATERRA is a developer of advanced materials and high-integrity carbon credits, seeking to utilize Philippine biological assets for the Canadian ZEV ecosystem;

WHEREAS, the DENR is mandated to ensure the sustainable management of natural resources and the development of the voluntary forest carbon market;

NOW, THEREFORE, the Parties hereby agree to the following broad strokes of collaboration:

1. **OFFICIAL ENDORSEMENT:** The DENR recognizes NOVATERRA as a strategic bilateral partner for the valorization of lignocellulosic assets in Region XII.
2. **REGULATORY OVERSIGHT:** The DENR shall provide guidance to ensure that NOVATERRA and its partner, the IPEE, operate as regulated entities in compliance with Philippine National Standards and the CAVCS.
3. **CARBON BROKERAGE LEGITIMACY:** The DENR recognizes NOVATERRA as a legitimate project proponent and broker eligible for participation in the Philippine voluntary forest carbon market.
4. **STEWARDSHIP MODEL RECOGNITION:** The DENR formally recognizes the standing of the "**IPEE/NTM Trade Agreement**" as the primary instrument for distributing incentives and proceeds derived from stewardship activities on ancestral lands.
5. **THIRD-PARTY ACCREDITATION:** The Parties agree to the utilization of international standards, specifically **Verra**, and independent auditors, specifically **Intertek**, to ensure verification meets global requirements.
6. **ESG COMPLIANCE SUPPORT:** The DENR commits to support NOVATERRA's fact-finding needs to satisfy the due diligence requirements of Canadian Institutional Funding bodies.

IN WITNESS WHEREOF, the Parties have hereunto set their hands.



NOVATERRA MATERIALS LTD.

By:

MARK MICHAEL LAUREL CASIANO

President & Co-Founder

DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES

By:

_____ **[NAME OF OFFICIAL]**

_____ [Position]

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)

CITY OF _____) S.S.

BEFORE ME, a Notary Public, personally appeared the above-named persons, known to me to be the same persons who executed the foregoing Memorandum of Understanding and they acknowledged to me that the same is their free and voluntary act and deed.

WITNESS MY HAND AND SEAL.

NOTARY PUBLIC

Doc. No. ____; Page No. ____; Book No. ____; Series of 20__.